

IDB CDBG-ED REVOLVING LOAN FUND STATUS REPORT

Outstanding Loans – CDBG FUND


Originating Date of Loan	Business	Original Loan Amt	Outstanding Balance	Due Date	Purpose
January, 2010	G&J Litho, Inc	\$200,000	\$128,731	December, 2016	Working capital to assist in business growth (City of Menasha)
September, 2010	Royer Industries	\$120,000	\$ 22,953	August, 2017	Working capital to assist in business growth and consolidation (Town of Black Wolf)
August, 2011	RLS Maching	\$277,000	\$ 91,841	July, 2018	Purchase of equipment for business expansion (City of Omro)
January, 2016	Outlook Group	\$400,000	\$367,900	December, 2020	Purchase of equipment for business expansion (Town of Menasha)
Total loan capacity (as of August 30, 2016)			\$804,629		
Total outstanding (as of August 30, 2016)			\$611,425		
Net dollars available to loan out:			<u>\$193,204</u>		


(1) G&J Litho loan is overdue

Note: Loans are amortized on a monthly basis.



Winnebago County
Industrial Development Board
The Wave of the Future

DATE: August 30, 2016
TO: IDB Members
FROM: Jerry Bougie 
RE: Summary on Winneconne Loan Extension Request

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- ❖ 2011 – Original loan: \$600,000 (for Switchgear Power Systems)
 - ◆ Original loan due date: August 24, 2016
 - ◆ Current outstanding principal balance on loan: \$471,371.42
 - ❖ Proposed 5 year extension on \$471,371.42
 - ◆ Interest rate based on 5 year U.S. Treasury rate plus 2.25% = 3.4% (subject to change at closing)
 - ❖ Village Board approved extension via resolution on August 29, 2016 (attached)

RESOLUTION 8 5-2016
LOAN EXTENSION FOR SHALLBETTER PROPERTIES, LLC
2011 IDB LOAN

WHEREAS, the Village of Winneconne entered into a loan agreement with Shallbetter Properties, L.L.C., Switchgear Power Systems, LLC, and Gregory Shallbetter as of August 24, 2011 (the "Loan Agreement"); and

WHEREAS, Shallbetter Properties, L.L.C., Switchgear Power Systems, LLC, and/or Gregory Shallbetter all individually or cooperatively entered into the following agreements with the Village of Winneconne pursuant to the Loan Agreement (the "Related Documents"):

- Amendment to Real Estate Mortgage, Collateral Pledge Agreement and Leasehold Improvement and Fixture Disclaimer; Shallbetter Properties LLC, Switchgear Power Systems, L.L.C and Gregory Shallbetter
- Promissory Note for \$600,000 amortized over 20 years at a rate of 2.599% (which represents the rate on the 2011 County Note plus 1%); Shallbetter Properties LLC
- Personal Guaranty; Gregory Shallbetter

WHEREAS, the Village of Winneconne, in accordance with the Loan Agreement and Related Documents, dispersed loan funds in the amount of Six Hundred Thousand and no/100 dollars (\$600,000.00) to Shallbetter Properties, L.L.C. (the "2011 Shallbetter Loan"); and

WHEREAS, Shallbetter Properties, L.L.C. has been timely and compliant with regard to its obligations under the Loan Agreement and Related Documents, including, making timely monthly principal and interest payments of \$3,208.43 each month; and

WHEREAS, the 2011 Shallbetter Loan has expired and became due in full to the Village for all principal and interest on September 1, 2016; and

WHEREAS, Shallbetter Properties LLC, Switchgear Power Systems LLC, and Gregory Shallbetter have requested the Village extend the 2011 Shallbetter Loan for an additional five (5) year period, subject to all of the obligations contained in the Loan Agreement and Related Documents; and

WHEREAS, to fund the 2011 Shallbetter Loan, the Village of Winneconne entered into a Promissory Note with the Winnebago County Board of Supervisors for \$600,000 under the Industrial Development Board loan program on or about August 24, 2011 (the "2011 County Note");

WHEREAS, the 2011 County Note has expired and principal in the amount of \$471,371.42 became due in full for all principal and interest on or about August 24, 2016; and

WHEREAS, the Village pledged its taxing authority to secure the 2011 County Note; and

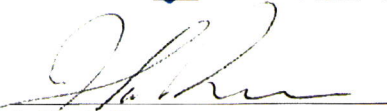
WHEREAS, to grant the extension on the 2011 Shallbetter Loan, the Village must request the necessary approvals from the Winnebago County Board of Supervisors to extend the 2011 County Note with a remaining principal of \$471,371.42 for another five (5) year term. The extension to the 2011 County Note will bear interest at the 5-year treasury note rate plus 2.25%.

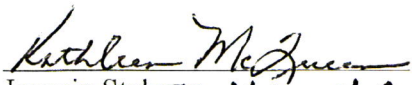
NOW, THEREFORE, BE IT RESOLVED the Village Board of Trustees for the Village of Winneconne, Wisconsin hereby authorizes the Village Administrator to request the necessary approvals from Winnebago County Board of Supervisors to extend the 2011 County Note with a remaining principal of \$471,371.42 for an additional five (5) years with interest on the extension and payment terms as set forth above; and, if such approval is granted from the County, the Village Board of Trustees hereby approves an extension of the 2011 Shallbetter Loan for an additional five (5) years at an interest rate of 1% above that being charged to the Village by the County for the extension and the payment terms as set forth in the 2011 Shallbetter Promissory Note, and subject to any other terms and conditions set forth in the Loan Agreement and Related Documents;

AND, The Village Board of Trustees for the Village of Winneconne is hereby authorized to pledge its taxing authority as security for the extension to the 2011 County Note;

AND, The Village Board of Trustees for Winneconne, Wisconsin hereby authorizes the Village President, Clerk, Attorney and Village Administrator to take such actions set forth herein and to execute any and all documents required to fulfill the Village commitments contained in this resolution.

Adopted at Winneconne, Wisconsin this 29th day of August, 2016, by a vote of the Village Board of Trustees 6 in favor, 0 opposed, and 0 abstain.


John A. Rogers
Village of Winneconne President


~~Jacquie Stelzner~~ Kathy McQueen
Village Clerk-Treasurer
Deputy Clerk - Treasurer